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UNCLAS MEXICO 003423

FOR A/S VALENZUELA FROM AMBASSADOR PASCUAL

NSC FOR RESTREPO/OQREILLY; DEPT FOR WHA DAS JACOBSON, MEX DIRECTOR LEE, D STAFF CUE, WHA STAFF GONZALEZ

SENSITIVE SIPDIS

E.O. 12958:N/A
TAGS: OVIP PREL PGOV PINR MX
SUBJECT: MEXICO: Scene setter for A/S Valenzuela
(6-8 December)

- 11. (SBU) Your visit comes at a crucial moment in our efforts to deepen our bilateral relationship with Mexico through an ambitious joint project to broaden the Merida initiative into a more comprehensive effort. We are in the midst of a dizzying level of bilateral activity, including a wave of senior interagency visits. Deputy Secretary Lew and ICE Assistant Secretary Morton were just here on successful back to back visits, which came on the heels of a second joint high level inter-agency review with the Mexicans on issues related to legal reform and marginal communities.
- 12. (SBU) Joint dual assessment missions Q one to Tijuana and San Diego, and another to Ciudad Juarez and El Paso Q will book mark your visit and help place our efforts to build out Merida in the context of the ground truth along the border. The assessments should help us crystallize some important requirements, particularly with regard to the crucial collaboration between Mexican military and civilian authorities on the front line along the border.
- 13. (SBU) DHS Assistant Secretary for International and Border Affairs will arrive on the day of your departure, and Assistant to the President for Homeland Security and Counterterrorism John Brenan, the U.S. lead in the bilateral inter-agency effort, will arrive in mid-December in time for the turn-over of five Bell Helicopters and to participate with President Calderon, on a review of where we are and what remains to be done. The pace will pick up again early next year with the visit of the SecretaryQs Advisor on Energy Issues, David Goldwyn and with another series of interagency meetings and visits.
- 14. (SBU) You can help ensure that the process remains properly focused. Your vantage point requires you to engage on the full range of interagency inputs and can help us maintain the needed coherence required to bring the process to a successful conclusion. Your contacts and knowledge of Mexico can help clear away lingering reservations and reassure our southern neighbors about the benefits we will reap from greater collaboration.
- 15. (SBU) The frenetic pace of our bilateral

activity is unfolding at a politically challenging moment for the Calderon administration. The PresidentQs PAN party emerged seriously weakened from a dramatic setback suffered in the July Congressional elections. CalderonQs bold plan for ten ambitious areas for reform, announced in September, has yet to translate into any concrete initiatives. His personal popularity numbers while over fifty percent and historically in line with his predecessors, have dropped ten points since last February, the lowest level of support during his first three years in office. Even more worrying is an eight point drop in his approval on the security front, an issue on which he has garnered his strongest support.

- 16. (SBU) In addition, the publicQs deepening economic worries have overshadowed their concern about security, further complicating the PresidentQs political engagement. He survived a bruising battle over the budget, and managed a relatively complicated operation to close down the inefficient Luz y Fuerza utility company in Mexico city but the follow-on tax increases that will hit in early 2010 and the blow back from a ham- handed effort to QblameQ the close down of LyF on lazy and coddled workers will likely further depress his numbers with his most ardent supporters in the business community and his most vehement detractors in the populist left of center parties.
- 17. (SBU) Meanwhile the opposition PRI party is in the ascendancy, cautiously managing its illusory unity in an effort to dominate the ten governorQs races that are up in the coming year, and to avoid any missteps that could jeopardize its front-runner status in the run-up to the 2012 Presidential elections. The PANQs prospects are bleak and former Party president Calderon at times appears preoccupied and uncertain about the best way to shore up his partyQs prospects. He clearly believes that a dramatic success in the fight against the DTOQs would provide a political boost, a rationale that to an extent explains his interest in deepening our Merida cooperation and stepping up the fight along the border. The challenges on the security side are well known: an insular military establishment that resists modernization, a tightly structured political system that discourages inter-agency cooperation, a legal system badly in need of reform, and a weak federal structure that frustrates cooperation between local, state and federal authorities.
- 18. (SBU) You will see signs of steady progress on several of these fronts, in the schedule we have organized for you. The tour of the two Federal Police (SSP) facilities on Monday morning will give you an appreciation for how our assistance is helping build law enforcement. The National Command Center at the Constituyentes headquarters is an impressive, state of the art facility that analyzes a wide array of data in the fight against organized crime. The training academy, fire arms facility and mini operations center at Iztapalapa will round out the view further. We will end the visit with a thirty minute discussion with SSP Director Genaro Garcia Luna.
- 19. (SBU) Your meeting with CISEN Director

Guillermo Valdes, MexicoQs lead in our senior bilateral interagency discussions, and several other senior Mexican security officials, are among our closest interlocutors in our Merida collaboration. This will be a good opportunity to review the outcome of the Tijuana-San Diego assessment mission and to clarify any needed action in the run-up to BrennanQs visit.

- 110. (SBU) Your breakfast meeting at the Foreign Ministry on Tuesday will also give you a chance to speak in some detail on our bilateral cooperation with your counterpart, Julian Ventura, as well as to review MexicoQs position on Honduras and other regional topics with Undersecretary for Latin America Salvador Beltran. Mexico has been reluctant to translate the support for our policy that they have communicated to us in private, into strong unambiguous public statements. As the current president of the Rio Group, Mexico has opted for watered down pronouncements, remarkable only for their lack of clarity. Secretary Espinosa will likely join at the end of the meeting, providing another opportunity for you to reaffirm our support for the Merida build out and to request stronger support for moving forward in Honduras. After the breakfast, you will join the Mexicans for a joint press availability. Julian has promised to encourage Espinosa to participate.
- 111. (SBU) You will have two excellent opportunities to review trade and competitiveness issues: at the Monday morning breakfast with local Mexican and U.S. business leaders, and a day later at a Los Pinos meeting with senior trade and economic government officials hosted by the PresidentQs Foreign Affairs Advisor Rafael Fernandez de Castro. These events will give you a chance to hear about the concerns and priorities of the local business community and to review with economic

policy makers, ways to overcome recurring trade tensions.

- 112. (SBU) Interior Minister Gomez-Mont (SEGOB) will host you for lunch on Tuesday, a good opportunity to review some of the high points of your meetings and to hear from one of CalderonQs trusted insiders. Following the lunch, we will go back to Los Pinos for a capstone discussion with Fernandez de Castro and CalderonQs chief of staff, Patricia Flores, and a possible meeting with the President.
- 13. (SBU) We have invited Congressional leaders, some journalists, and several other politicians and intellectuals to a dinner for you and Katy at the residence on Sunday night. This should provide a good venue for a general discussion of the state of the Mexican polity and a more focused discussion on ways in which we can add substance and import to our annual parliamentary exchange, which will continue next spring with a joint U.S Congressional visit to Mexico next spring. We have had several Congressional leaders, including your friend Munoz Ledo and Vazquez Mota, raise their interest in making next yearQs visit more substantive. We would like to explore the possibility of centering the visit on a relevant theme such as economic competitiveness.
- 114. (SBU) We have scheduled a public diplomacy event at our Benjamin Franklin Library, with citizen participation groups and new media

networkers to support their efforts to engage the Mexican people on a zero-tolerance approach to violence. Discussion will focus on raising popular awareness and building a national consensus against crime and violence.

- 115. (SBU) Finally, I would encourage you to raise our concerns about Human Rights in your meeting at the Foreign Ministry and during your lunch with Gomez-Mont. We are in the process of launching a three part effort to increase transparency and strengthen civil society. major focus of that effort is a new bi-lateral dialogue that the MexicanQs have agreed to develop with us that would include the SRE, SEGOB, the Secretariat of National Defense (SEDENA), and the Mexican Navy (SEMAR). We are finalizing details on a schedule of regular meetings and an agenda that would include four priority areas, identified in a separate dialogue we have established with Human Rights NGOs.
- 116. (SBU) We also have established a separate bilateral defense working group that would be allowed to engage on the dialogue as well. A major focus of our effort will be the military justice system and the numerous violations that have been alleged in connection with their leading role in the fight against the DTOs. This will be challenging work that will have to be pushed along with an active and comprehensive training program training that Northcom is developing. You should encourage the Foreign and Interior Minister to move forward quickly on the bilateral dialogue they have propose and note the continuing pressure from Congress to clarify allegations of abuse from the past and to show a commitment to prevent any future abuses.
- 117. (SBU) We are making progress on a wide range of issues that will help establish a framework for a comprehensive and sustainable program that can build on our Merida success. If successful in this collaborative project, we will not only be able to step up the fight against the major Drug Trafficking Organizations, but we will address some major structural issues that are holding Mexico back, contributing to economic bottlenecks, and fueling the exploding violence along the border. Your visit will help push

that effort forward.

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